NEW ISSUE

$7,000,000
BARVUE MINES LIMITED

(No Personal Liability)

(Incorporated under the laws of the Province of Ontario)

$3,000,000 5% First Mortgage Sinking Fund Bonds, Series A

$4,000,000 5% First Mortgage Sinking Fund Bonds, Series B
carrying Stock Purchase Warrants

To be dated August 1, 1951 To mature August 1, 1956

Principal and half-yearly interest (February 1 and August 1) and redemption premium, if any, payable in lawful money of Canada at the holder's option at any branch in Canada of the Company's bankers. Coupon bonds in denominations of $500 and $1,000 registerable as to principal only and fully registered bonds in denominations of $1,000 and authorized multiples thereof. Redeemable prior to maturity at any time in whole or from time to time in part at the option of the Company, or for sinking fund purposes, on thirty days' notice, at the following percentages of their principal amount: 102% if redeemed on or before August 1, 1953; 101½% if redeemed thereafter and on or before August 1, 1954; 101% if redeemed thereafter and on or before August 1, 1955; 100½% if redeemed thereafter and on or before February 1, 1956 and at 100% if redeemed thereafter and prior to maturity; in each case with accrued interest to the date fixed for redemption.

Sinking Fund

The Trust Deed will provide that so long as any of the Bonds are outstanding, the Company will, on or before the fifteenth day of each month (commencing with the third month following the month in which the new mill hereinafter referred to first commences operations) pay to the Trustee as and by way of a sinking fund for the retirement of the Bonds, an amount equal to $40 per ton of zinc concentrates produced in the new mill for which payment is received by the Company during the next preceding calendar month or, in the case of the first sinking fund payment, during the period from commencement of operations in the new mill to the end of the calendar month next preceding the date of such payment. The Trust Deed will further provide that no Series B Bonds are to be purchased or called for redemption out of such sinking fund moneys while any of the Series A Bonds are outstanding, unless all of the outstanding Series A Bonds are called for redemption at the same time, but this provision will not operate so as to restrict the retirement of Series B Bonds otherwise than out of sinking fund payments on the above basis. It is estimated that such sinking fund payments resulting from the sale of 175,000 tons of zinc concentrates under a firm contract already entered into by the Company will be sufficient to provide for the retirement of the Series A and Series B Bonds at or prior to their maturity. The Company may purchase Bonds and tender the same to the Trustee for sinking fund purposes in lieu of cash, and Bonds so tendered shall be credited by the Trustee at the principal amount thereof.

Stock Purchase Warrants

The Series B Bonds in definitive form when originally issued will carry Stock Purchase Warrants entitling the holders thereof to purchase shares in the capital stock of the Company on the basis of 80 such shares as presently constituted for each $1,000 principal amount of bonds at the price of $3.00 per share, payable in cash. The indenture providing for the issue of such Stock Purchase Warrants will provide that such warrants may not be detached until July 1, 1952, (unless the bonds to which such warrants are attached are called for redemption prior to that date), will become exercisable only on and after July 1, 1952 and will expire on July 31, 1956. The Series A Bonds will not carry Stock Purchase Warrants. The indenture also will include provisions for appropriate adjustment in the number of shares issuable pursuant to the privileges attaching to the Stock Purchase Warrants in certain events including a subdivision of the capital stock of the Company.

Guarantee

The payment of the principal of and premium (if any) and interest on the Series A Bonds and Series B Bonds, which will rank pari passu as to security, will be unconditionally guaranteed by Golden Manitou Mines Limited (No Personal Liability) which company will also guarantee all other payments from time to time required to be made by the Company under the terms of the Trust Deed and the performance and observance of all covenants and obligations on the part of the Company under the said Deed.

Trustee: National Trust Company, Limited

In the opinion of Counsel, the Series A and Series B Bonds will be investments in which The Canadian and British Insurance Companies Act, 1932, as amended, states that companies registered under Part III thereof may, without availing themselves for that purpose of the provisions of subsection (4) of Section 60 of said Act, invest their funds.

The Series A Bonds have been sold privately. We, as principals, offer the Series B Bonds if, as and when issued and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. Hughes, Agar, Amys & Steen, Toronto, and on our behalf by Messrs. Borden, Elliot, Kelley, Palmer & Sankey, Toronto.

PRICE: 99 and accrued interest.

Subscriptions for the Series B Bonds will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that Bonds in interim form will be ready for delivery on or about August 15, 1951.

Mr. H. W. Knight, President of Barvue Mines Limited (No Personal Liability) has supplied the following information:

The Company

Barvue Mines Limited (No Personal Liability) (hereinafter sometimes referred to as "Barvue") was incorporated under the laws of the Province of Ontario on November 10, 1950 as a mining exploration and development company to acquire and develop a zinc-silver property located in Barraute Township in Northwestern Quebec, about 31 miles north of the Golden Manitou mine and about 25 miles east of Amos. An extensive drilling program, which is still in progress, has been carried out on a portion of the property and to date an ore body 2,500 feet in length, averaging approximately 105 feet in width, has been outlined. This ore body is estimated to contain 17,500,000 tons of zinc-silver ore to the 700 foot level, having an average grade of 3.26% zinc and 1.13 oz. of silver per ton. With these presently estimated ore reserves, the Company is establishing operations as a large scale producer of zinc concentrates. In addition to the zinc and silver content, there is also a pyrite content of approximately 10% which adds further potential value to the ore body.

The Company has entered into a firm contract with American Zinc, Lead & Smelting Company's wholly-owned operating subsidiary, American Zinc Company of Illinois (hereinafter sometimes referred to as "American Zinc") whereby American Zinc agrees to buy from the Company and the Company agrees to sell to American Zinc the entire output of zinc concentrates of the Company up to 6,000 short dry tons of 2,000 pounds avoirdupois each, in any one calendar month, at a price of 17½ cents (United States funds) per pound for contained zinc less freight, duty and customary smelter charges and deductions plus allowances for silver content, and starting with the date of shipment of the first car of zinc concentrates from the Company's mill and continuing until 175,000 tons of zinc concentrates have been delivered to American Zinc. The contract also contains provisions granting American Zinc an option to purchase an additional 175,000 tons of zinc concentrates at the same price and on the same terms and conditions subject, however, to an escalator clause protecting Barvue against possible increases in freight and labor costs. The contract also contains provisions for possible further purchases on the terms and conditions therein set forth.

The Company is proceeding to place the mine in operation and to construct a mill with a capacity of at least 4,000 tons of ore per day. Arrangements are being made to obtain machinery, equipment, materials and supplies, as well as to construct a railway spur line and build a power transmission line with the object of having the mine and mill brought into production before the middle of 1952.

In a report dated June 27, 1951, Mr. J. C. Nicholls, Professional Engineer and formerly Assistant to the President of The International Nickel Company of Canada, Limited, estimates that from the commencement of operations it will take the Company 33 months to complete delivery of 175,000 tons of zinc concentrates under its firm contract with American Zinc and that, after providing for mining, milling and general costs, a profit of approximately $11,500,000 should be earned over this period. This revenue would enable the Company to retire its First Mortgage Sinking Fund Bonds, Series A and Series B, prior to maturity. Under The Income Tax Act, mining companies which come into production between the calendar years 1946 and 1954 inclusive are exempt from the payment of tax on income for three years from the commencement of production.

Capitalization

(upon completion of proposed financing)

	Authorized	To be Outstanding
5% First Mortgage Sinking Fund Bonds, due August 1, 1956 . . .	$7,000,000	
Series A Bonds		$3,000,000
Series B Bonds		$4,000,000
Shares of the par value of $1 each	3,500,000 shs. (1)	3,180,000 shs. (2)

(1) By Supplementary Letters Patent dated July 19, 1951, the authorized share capital was increased from 3,000,000 shares of the par value of $1 each to 3,500,000 shares. Of the additional 500,000 shares authorized, 320,000 shares will be reserved for issuance against the exercise of the Stock Purchase Warrants attaching to the 5% First Mortgage Sinking Fund Bonds, Series B, while the balance of 180,000 shares have been purchased by Golden Manitou Mines Limited for $90,000 in cash.

(2) Of which 1,755,000 shares are owned by Golden Manitou Mines Limited.

Purpose of Issue

The proceeds from the sale of the $7,000,000 principal amount of 5% First Mortgage Sinking Fund Bonds will be used by the Company to place the mine in production, construct the mill and other facilities and to provide working capital.

Management

Barvue Mines Limited is controlled by Golden Manitou Mines Limited (No Personal Liability) which owns 1,755,000 of the issued and outstanding shares of the Company. Golden Manitou Mines Limited will supervise the construction of the mill and other facilities and the mining and milling operations to be carried on by the Company. H. W. Knight, who is President of the Company, is also President of Golden Manitou Mines Limited and a Director of American Zinc, Lead & Smelting Company. The consulting geologists for both the Company and Golden Manitou Mines Limited is the firm of Messrs. W. F. James & B. S. W. Buffam, Toronto.

Mine Property

The property is located in Northwestern Quebec, and consists of about 700 acres in Barraute Township and is close to water, hydro-electric power and transportation facilities. The LaFlamme River, which flows across the south-east portion of the property, provides an adequate supply of water for mining and milling operations. The transcontinental line of the Canadian National Railways passes about four miles to the south of the property and construction of a spur line to the mill site is expected to be completed during the summer of 1951. The property also is served by an all-weather colonization road connecting

with the railroad station at Barraute and the provincial highway system. A 110,000 volt transmission line of the Quebec Hydro-Electric Commission, which is presently under construction, will pass about three miles to the south of the property. The Company has entered into a power contract with the Commission providing for the supply of 2,500 h.p. by the end of 1951, and provision has been made for an additional 1,500 h.p. to be supplied for the start of mill operations in 1952. By the end of 1953, it is expected that power supply will be sufficient to take care of any additional requirements of the Company. Until the contract for the additional power is implemented, the Company will generate part of its power requirements with its own diesel generating equipment. Contracts are being let for the necessary buildings, machinery and materials required to house and equip a mill of at least 4,000 tons daily capacity.

Mining Program

Mining operations will commence immediately. The ore body at the rock surface extends over a length of 2,500 feet with an average width of approximately 105 feet and is adaptable to open pit mining in the initial stages after the removal of 15 to 25 feet of soil and clay overburden. It is proposed to begin the sinking of a shaft by the end of 1951 to ready the mine for underground operations. The combination of open pit and underground mining provides an economical method of removing the ore as well as enabling the Company to obtain early delivery of the ore from the mine for the mill which is expected to be ready for operations before the middle of 1952. As the underground workings are developed, it is expected that an increasing amount of ore will go directly to the mill to augment that coming from the open pit and that eventually the full ore requirements of the mill will be obtained from underground mining.

The ore is of a type which does not present any serious problems in the production of zinc-silver concentrates. Facilities for the recovery of the pyrite content of the ore at the rate of approximately 200 tons per day will be added to the mill. Pyrite production will begin at the same time as the mill commences operations and it is estimated that the sale of pyrite will provide the Company with an additional revenue of approximately $1,000 per day.

Geologist's Report

The following report has been made by the firm of W. F. James & B. S. W. Buffam, Consulting Geologists, Toronto.

"Barvue Mines Limited,
330 Bay Street,
Toronto, Ontario.

July 19, 1951.

The Barvue property is located on the south limb of an overturned anticlinal fold. Intermediate rock types occur near the axis of the fold and rhyolites are found on the north and south limbs.

The sulphide zone which carries the zinc and silver values occurs in a belt of altered fractured rhyolite breccia. The sulphide mineralization consists of pyrite and very fine grained, generally light coloured sphalerite with minor amounts of galena and chalcopyrite. These minerals occur as a replacement in the rhyolite breccia.

The sulphide zone has been closely drilled, principally between the 175 and 300 foot horizons, at close intervals over a strike length of 2,500 feet. In addition, five holes explored the rocks between the 400 and 720 foot horizons and a series of vertical holes at 600 foot centres explored the upward extension of the ore body between the 70 foot horizon and the rock surface.

The diamond drill holes which traversed the ore zone outlined an ore body 2,500 feet in length, 105 feet in width with a grade of 3.27% zinc and 1.13 ozs. silver per ton. These grades were confirmed by check sampling and assaying of nine of the diamond drill holes and the results of the bulk sampling of all assay office rejects from the diamond drill core sampling.

The five deep holes which traversed the ore body between the 400 and 720 foot horizon in the central portion averaged 2.93% zinc and 1.45 ozs. silver. This deeper drilling is not in sufficient detail to more than suggest the possibility of downward extensions of the ore zone but an ore body of these dimensions can reasonably be expected to persist at least to moderate depths.

A series of vertical holes collared in the ore body and drilled to an average depth of 50 feet below the rock surface indicate that the ore body extends upward from the 175 foot horizon to surface.

It is estimated that dilution in the open pit and in the underground mining will average about 10%. Most of the waste material lies along the fringes of the ore body and should average at least 0.5% zinc and 0.10 ozs. silver.

Mining grade should average, therefore, 3.02% zinc and 1.04 ozs. silver per ton after dilution. It is estimated that there are 27,500 tons of this grade ore per vertical foot between rock surface and the 300 foot horizon.

Mining costs at a mining and milling rate of 4,000 tons daily should average $2.05 per ton for open pit mining (to a depth of 150 feet) and $2.30 per ton for the sections of the ore body mined by underground methods.

The net value of the concentrate under the terms of the smelter contract should average $109.19 per ton (2,000 lbs.), Canadian funds.

Assuming an 85% zinc recovery and 65% silver recovery in the proposed Barvue mill, the mill feed ore should average $4.73 per ton during the life of the smelter contract.

The probable profit before write-offs and taxes is estimated as follows:

(a) Open pit mining to 150 foot level:

Net Profit per ton	$ 2.68
Yearly Profit	$ 3,910,000.00
Total Profit in Open Pit section	$11,100,000.00

(b) Underground Mining:

The net profit before taxes and write-offs should average $2.43 per ton, or $3,550,000 per year for the life of the present smelter contract.

Approximately 4,100,000 tons of ore, or the estimated tonnage in the initial 150 feet below rock surface, will be mined and milled to produce 175,000 tons of 60% zinc concentrate (minimum smelter contract). It will require approximately three years from start of milling operations to produce this tonnage of concentrate and if the smelter contract is extended to 350,000 tons of zinc concentrate, it will require about 5¾ years to complete. Approximately 8,200,000 tons of ore will be mined and milled, or the estimated ore in the initial 300 feet below rock surface to complete the maximum smelter contract.

It is estimated that there will be a profit of $11,100,000 before taxes and write-offs on the minimum smelter contract and about $21,100,000, if the smelter accepts the 350,000 tons of concentrate at the terms set forth for the initial 175,000 tons.

With optimum conditions the property should be in production as planned by June of next year if deliveries of equipment and supplies are not too long delayed.

Yours very truly,
W. F. JAMES & B. S. W. BUFFAM,
Per: (Signed) M. A. COOPER.

Certificate

We, the firm of W. F. James & B. S. W. Buffam of the City of Toronto in the Province of Ontario, hereby certify as follows:

1. That the members of this firm, with offices at Room 1505, 320 Bay Street, Toronto, Ontario, are all members of the Association of Professional Engineers for the Province of Ontario.
2. That the firm of W. F. James & B. S. W. Buffam have been practicing as Consulting Geologists for more than 20 years.
3. That no member of the firm has any interest either directly or indirectly in the property covered by the accompanying report dated July 19, 1951, nor in any securities of Barvue Mines Limited, the owner of the said property nor do they expect to receive any such interest.
4. The accompanying report is based on a personal examination of the property by a member of our firm made during the month of July, 1951, and upon a study of sampling results of the diamond drilling carried out by Barvue Mines Limited.

Dated at Toronto, Ontario,
this 23rd day of July, 1951.

W. F. JAMES & B. S. W. BUFFAM,
Per: (Signed) M. A. COOPER.

(SEAL)

Engineer's Reports on the Property

The following report has been made on behalf of the underwriters by Mr. J. C. Nicholls, Professional Engineer and formerly Assistant to the President of The International Nickel Company of Canada, Limited:

"BARVUE MINES LIMITED,
330 BAY STREET,
TORONTO, ONTARIO.

June 27, 1951.

Dear Sirs:

On instructions received from McLeod, Young, Weir & Company Limited, Milner, Ross & Co. and Draper Dobie & Company, I have made an independent examination of the property of Barvue Mines Limited and have pleasure in submitting the following report:

The ore zone has been drilled regularly over a length of 2,500 feet in sections 50 feet apart to a depth of 300 feet. With this close drilling, this portion of the ore body has been well tested with the following average results:

	Length (Feet)	Width (Feet)	Zinc Content (%)	Silver Content (Ounces per Ton)
East Portion	1,450	118.3	3.126	1.075
West Portion	1,050	100.6	3.530	1.236
	2,500	110.9	3.281	1.136

Further to the west of the drilled section of the ore body is a 500 foot extension which has not been drilled. Based on the results of the last holes drilled on the west portion of the drilled section, which showed narrower widths but higher grades of zinc and silver, rough estimates indicate that the west extension has an average width of 58 feet grading 3.85% zinc and 2.3 ounces of silver to the ton. Combined, the drilled portion of the ore body and the west extension indicate the following averages:

	Length (Feet)	Width (Feet)	Zinc Content (%)	Silver Content (Ounces per Ton)
Drilled Portion	2,500	110.9	3.281	1.136
West Extension	500	58.2	3.85	2.30
	3,000	102.1	3.34	1.25

Five drill holes intersecting ore at about 700 feet are too few to make an accurate appraisal of tonnage and grade below the 300 foot level but they do indicate that the ore body persists in depth.

Based on drilling done to date, the following is an estimate of ore reserves:

Depth (Feet)		Width (Feet)	Zinc Content (%)	Silver Content (Ounces per ton)	Ore (Tons)
To 300	Assured Ore	102	3.3	1.2	7,650,000
300-450	Reasonable Ore	100	3.3	1.2	3,750,000
To 450					11,400,000
450-1,000	Deeper Possible Ore	40			5,500,000

With open pit mining, the breaking should not be difficult, the haulage is short and the length and width of the ore body is favourable for systematic continuous removal. A mining cost of $1.00 per ton seems reasonable under these conditions. For underground mining of the upper level ore, a cost of mining and development of $1.50 per ton should be attained. This is in accord with practice in similar mines. Milling costs, based on those of Golden Manitou Mines Limited for a 900 ton per day operation, should be 70 cents per ton and for a larger tonnage operation milling costs should be lower.

On the basis of the foregoing, the following is an estimate of per ton production costs for the mine under (a) open pit operations (b) underground operations.

Cost of open pit operation:	
Mining	1.00
Milling	.70
General	.30
	$2.00

Cost of underground operation:	
Mining, excluding stope preparation	1.50
Milling	.70
General	.30
	$2.50

These costs would seem to be reasonable and, with an ore body which is favourable for systematic large scale mining, should be attained.

In general, the program, as laid out for the first year, contemplates preparation for and start of open pit mining, construction of plant and townsite, installation of services and a start of shaft sinking. It is planned to start milling before the middle of 1952 at the rate of 4,000 tons per day, and during the second year to carry out further underground mining development work.

With early ordering of supplies and equipment and proper schedules of work, the completion in one year of all facilities for the start of operations at 4,000 tons per day should be accomplished. Ordinarily it would require at least four years to prepare an underground mine for a regular output of 4,000 tons of ore per day.

Under the terms of the contract made between Barvue and American Zinc Company of Illinois, the latter company will pay for 85% (the amount expected to be extracted) of the zinc contained in the concentrates at 17½¢ (U.S. funds) per pound for the first 175,000 tons of zinc concentrates. In addition, American Zinc Company of Illinois will pay Barvue for 60% of the silver content over 2 ounces per ton at the market price. Treatment charges, duty and freight will be deducted from these payments.

Based on concentrates containing 60% zinc and 12 ounces of silver per ton, revenue per ton of zinc concentrates produced is estimated as follows:

Payment for zinc	$178.50
Payment for silver	5.40
	$183.90
Less: Treatment charges, duty and freight	81.44
Net return to Barvue—U.S. funds	$102.46
Add 6½% premium on U.S. funds	6.65
Net return to Barvue—Canadian funds	$109.11

There is bound to be some dilution of ore in mining operations which will give a mill feed slightly lower in grade than that of the ore in place. Allowing for this, the above estimated revenue is equivalent to a net return of approximately $5.00 per ton of ore treated, on the basis that approximately 22 tons of ore will be required to produce one ton of zinc concentrates.

On the basis of the foregoing, under open pit mining, the profit per ton of ore, after mining, milling and general costs, would be $3.00 and at 4,000 tons per day operations would amount to $4,380,000 per year.

To complete the contract for 175,000 tons of zinc concentrates, it will be necessary to handle 3,850,000 tons of ore which would be available from open pit workings to a depth of 150 feet. The time taken to produce this amount of concentrates would be 33 months and the net profit would be approximately $11,500,000. There would be an increasing amount of ore coming from underground operations which will tend to reduce this figure somewhat.

The tonnage reasonably to be expected would give the mine a life of 12 to 13 years. This is a good economical period and justifies the operation of a plant producing 4,000 tons per day. It is probable that this life may be extended.

Yours very truly,

(Signed) J. C. NICHOLLS."

In a further letter dated June 28, 1951, Mr. J. C. Nicholls has made the following report on the probable net value of the ore to be used in completing the Company's firm contract for the sale of 175,000 tons of zinc concentrates to American Zinc.

"BARVUE MINES LIMITED,
330 BAY STREET,
TORONTO, ONTARIO.

June 28, 1951.

Dear Sirs:

The following calculations are based on the completion of the firm contract for the sale by Barvue Mines Limited of 175,000 tons of zinc concentrates to the American Zinc Company of Illinois.

In order to provide this tonnage of zinc concentrates it will be necessary to handle approximately 3,850,000 tons of ore, all of which could be secured by open pit mining operations to a depth of 150 feet. However, it will be necessary to prepare the mine for underground work for long term operations. During this period an increasing amount of ore will come from underground preparation and this will have a moderate bearing on production costs. Taking this and other factors into consideration, I estimate the present net value of the ore to be used in completing the American Zinc Company of Illinois contract at approximately $10,500,000. This figure does not include the value of the ore in the mine over and above the quantities required to fill this contract.

Yours very truly,

(Signed) J. C. NICHOLLS."

Certificate

I, John C. Nicholls, of the City of Toronto, in the Province of Ontario, hereby certify as follows:

1. That I am a Mining Engineer, a Member of the Association of Professional Engineers for the Province of Ontario, and reside at 64 Old Forest Hill Road, Toronto, Ontario.
2. That I am a graduate of the University of California and have been practicing my profession for more than twenty-five years.
3. That I have no interest either directly or indirectly, nor do I expect to receive any interest either directly or indirectly, in the property covered by my accompanying reports dated June 27, 1951 and June 28, 1951, nor in any securities of Barvue Mines Limited, the owner of the said property.
4. That the accompanying reports are based on a personal examination of the property made during the month of June, 1951, and upon a study of the sampling results of the drilling carried out by Barvue Mines Limited from November, 1950 to May, 1951.

(Signed) J. C. NICHOLLS.

Dated at Toronto, Ontario,
this 19th day of July, 1951.

Engineer's Report on the Mill

The following report has been made by The General Engineering Company Ltd.:

"BARVUE MINES LIMITED,
330 BAY STREET,
TORONTO, ONTARIO.

July 10, 1951.

Gentlemen:

The General Engineering Company Ltd. has been retained by Barvue Mines Limited to examine the metallurgical test reports, design the crushing plant, concentrator and ancillary buildings, and to submit a report covering the estimated costs of bringing the property into production.

Our investigations confirm that the concentrator being planned and designed will treat a minimum of 4,200 tons of Barvue ore per day. Assuming that the ore will average 3.28% zinc and 1.09 oz. silver, as indicated by test reports dated June 27, 1951, the recoveries of the zinc and silver minerals should be better than 85% and 65%, respectively. This should produce approximately 200 tons of zinc concentrates per day, averaging 60% zinc.

In our analysis of costs, we are including pre-production stripping, mine development, electrical power requirements including a temporary diesel power plant, crushing plant, concentrator and filtering plant, adequate railway spur and sidings, office, mechanical shops, mine dry, water supply, bunkhouse and cookery, twelve staff houses, and preliminary townsite preparation.

Preliminary estimates indicate the capital cost of putting the property into production on the above basis is approximately $7,000,000, including $400,000 for working capital and $500,000 for contingencies. Final estimates are expected to confirm this figure.

Yours very truly,

The General Engineering Company Ltd.

by (Signed) P. D. P. HAMILTON,
Vice-President."

Marketing Arrangements of American Zinc

American Zinc has contracted with Aluminum Company of Canada, Limited to ship 4,166 tons of zinc concentrates per month to Arvida, Quebec for a period of 10 years. At Arvida, Aluminum Company of Canada, Limited is erecting a plant for the extraction of the sulphur content from the zinc concen-

trates for its own needs. It is contemplated that zinc concentrates purchased under contract by American Zinc from Barvue will be shipped to Arvida to fulfill American Zinc's contract with Aluminum Company of Canada, Limited. Following this processing, the zinc concentrates, in calcine form, will be shipped to a point in the United States designated by American Zinc.

American Zinc also has entered into a contract to sell the American Steel & Wire Company, Cleveland, Ohio, 175,000 tons of zinc concentrates or the zinc refined therefrom. The contract gives American Steel & Wire Company an option to purchase an additional 175,000 tons of zinc concentrates or the equivalent in refined zinc. It is contemplated that American Zinc will fulfill this contract from the zinc concentrates purchased under contract with Barvue. American Steel & Wire Company, a subsidiary of the United States Steel Corporation, is one of the largest users of zinc in the United States.

American Zinc, Lead & Smelting Company

The following information is given regarding American Zinc, Lead & Smelting Company in view of the importance of the above-mentioned contract between its wholly-owned subsidiary, American Zinc Company of Illinois, and Barvue.

American Zinc, Lead & Smelting Company, incorporated in the State of Maine in 1899, is engaged in mining, smelting, refining, marketing and dealing in zinc, lead ores and other mineral substances and their products and, through a wholly-owned subsidiary, the company also operates quarries for the production of crushed stone for highways and railway ballast, as well as limestone for fertilizer. In addition to a number of mining properties located in various sections of the United States, the company owns and operates 6 plants for the roasting, sintering and smelting of zinc ores, and for the production of roasted zinc concentrate, cadmium, sulphuric acid and slab zinc and other mineral by-products. Through these operations, this company is recognized as one of the leading zinc refiners in the United States.

The following figures, as taken from official published reports, show the consolidated financial position of American Zinc, Lead & Smelting Company.

	Year ended Dec. 31, 1950	Three months ended March 31, 1951
Net sales	$62,511,857	$18,700,847
Net operating income	7,780,356	1,953,403
Depreciation and depletion	702,548	240,000
Federal income tax (Estimated)	3,275,000	993,775
Net profit	3,802,808	719,628

As at December 31, 1950, American Zinc, Lead & Smelting Company's net current assets amounted to $10,303,779 and the gross book value of investment in plant was $18,118,513. After reserves of $12,253,943 for depreciation, depletion and amortization, the net book value of investment in plant was $5,864,570.

Security

The 5% First Mortgage Sinking Fund Bonds, Series A and Series B, will rank pari passu as to security. They will be direct obligations of the Company and are to be secured by a Trust Deed to be entered into between the Company and National Trust Company, Limited, as Trustee, which in the opinion of Counsel will constitute, subject only to unregistered privileges and charges, if any, which may exist by operation of law, a first fixed and specific hypothec, mortgage, pledge and charge on and of all lands and immovable property and interests therein, fixed assets and mining claims, now owned or held by the Company, and the rights of the Company under the contract between the Company and American Zinc Company of Illinois referred to above with, and, subject as aforesaid, a first floating charge upon all other property and assets of the Company in the Provinces of Ontario and Quebec. The specific security will include the new mill both during construction and after completion. The Trust Deed will also contain an "after acquired property clause" purporting to subject to the specific security constituted thereby all real and immovable property and rights hereafter acquired by the Company, which will covenant to give full effect to such clause by the execution and registration from time to time of appropriate deeds.

The Trust Deed also will provide that at or prior to the time of each issue of any of the Bonds the Company will deposit with the Trustee an amount equal to the amount received or receivable by the Company upon the sale of the Bonds then being issued, plus accrued interest to the date of delivery thereof; that the amounts so deposited shall constitute the "Plant Construction Fund" and shall be invested in obligations of or guaranteed by the Government of Canada maturing not later than five years from the date of investment and may be withdrawn: (i) for the purpose of paying the interest falling due on the Bonds on February 1, 1952 and August 1, 1952; (ii) for the purpose of enabling the Company to pay the costs incurred by it in connection with the construction and completion of the new mill having a rated capacity of at least 4,000 tons per day and ancillary equipment required for the extraction and treatment of ores and the costs of preparing the property for production and operation; (iii) for working capital not exceeding in the aggregate the sum of $400,000; and that any balance in the Plant Construction Fund not required for the foregoing purposes will be applied toward the retirement of Bonds.

Sinking Fund Provisions

The Trust Deed will provide that so long as any of the Bonds are outstanding, the Company will, on or before the fifteenth day of each month (commencing with the third month following the month in which the new mill first commences operations) pay to the Trustee as and by way of a sinking fund for the retirement of the Bonds, an amount equal to $40 per ton of zinc concentrates produced in the new mill for which payment is received by the Company during the next preceding calendar month or, in the case of the first sinking fund payment, during the period from commencement of operations in the new mill to the end of the calendar month next preceding the date of such payment. The Trust Deed will further provide that no Series B Bonds are to be purchased or called for redemption out of such sinking fund moneys while any of the Series A Bonds are outstanding, unless all of the outstanding Series A Bonds are called for redemption at the same time, but this provision will not operate so as to restrict the retirement of Series B Bonds otherwise than out of sinking fund payments on the above basis. It is estimated that such sinking fund payments resulting from the sale of 175,000 tons of zinc concentrates under the above mentioned firm contract entered into by the Company will be sufficient to provide for the retirement of the Series A and Series B Bonds at or prior to their maturity. The Company may purchase Bonds and tender the same to the Trustee for sinking fund purposes in lieu of cash, and Bonds so tendered shall be credited by the Trustee at the principal amount thereof.

Information Required by The Securities Act (Ontario)

(a) BARVUE MINES LIMITED (No Personal Liability) (hereinafter referred to as "the Company") has its head office at Room 1104, 330 Bay Street, Toronto, Ontario.

(b) Incorporated under the laws of the Province of Ontario by Letters Patent dated November 10, 1950. Supplementary Letters Patent increasing the capital are dated July 19, 1951.

(c) The Officers are:

President............Harry Wallace Knight, Mining Executive, 108 Roxborough Drive, Toronto, Ontario.

Vice-President........Andrew Robertson, Mining Engineer, Royal York Hotel, Toronto, Ontario.

Secretary-Treasurer...Sydney Albert Perry, Mining Executive, 394 Avenue Road, Toronto, Ontario.

The Directors are the above Officers and

Martial Dumulon, Mine Operator, Amos, Quebec.
Harry William Knight, Broker, 228 Balmoral Avenue, Toronto, Ontario.

The Promoter is GOLDEN MANITOU MINES LIMITED (No Personal Liability), Room 1104, 330 Bay Street, Toronto, Ontario.

(d) The Auditors are Thorne, Mulholland, Howson & McPherson, Chartered Accountants, 85 Richmond Street West, Toronto, Ontario.

(e) The Registrar and Transfer Agent for the shares of the Company is Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Ontario.

National Trust Company, Limited, 20 King Street East, Toronto, Ontario, will be the Trustee for the Series A and Series B bonds referred to in this prospectus and registers upon which fully registered bonds shall be registered and upon which coupon bonds may be registered as to principal and upon which transfers of registered bonds shall be recorded will be kept by the said Trustee at its said office and also at its offices at 225 St. James Street West, Montreal, Quebec, and 250 Portage Avenue, Winnipeg, Manitoba.

(f) The authorized share capital is $3,500,000 divided into 3,500,000 shares of the par value of $1.00 each, all of one class, of which 3,180,000 shares are issued and paid up.

(g) The Company has created and proposes to issue 5% First Mortgage Sinking Fund Bonds to the aggregate principal amount of $7,000,000, of which $3,000,000 principal amount will be Series A bonds and $4,000,000 principal amount will be Series B bonds. The bonds will be dated as of August 1, 1951, will bear interest at the rate of 5% per annum, payable half-yearly on the 1st days of February and August in each year, will mature on August 1, 1956, and will be payable as to principal, interest and redemption premium (if any) in lawful money of Canada, at the holder's option at any branch in Canada of the Company's bankers. Such bonds may be issued as coupon bonds in denominations of $500 and $1000 registerable as to principal only and fully registered bonds in denominations of $1000 and authorized multiples thereof. Such bonds will be redeemable prior to maturity at any time in whole or from time to time in part at the option of the Company or for sinking fund purposes on thirty days' notice at the following percentages of their principal amount: 102% if redeemed on or before August 1, 1953; 101½% if redeemed thereafter and on or before August 1, 1954; 101% if redeemed thereafter and on or before August 1, 1955; 100½% if redeemed thereafter and on or before February 1, 1956, and at 100% if redeemed thereafter and prior to maturity; in each case with accrued interest to the date fixed for redemption.

The trust deed will provide that the Company will, so long as any of the bonds are outstanding, on or before the 15th day of each month (commencing with the third month following the month in which the Company's mill for the production of zinc concentrates commences operations) pay to the trustee named in the trust deed as and by way of a sinking fund for the retirement of the bonds an amount equal to $40 per ton of zinc concentrates produced in the Company's mill for which payment is received by the Company during the next preceding calendar month or, in the case of the first sinking fund payment, during the period from commencement of operations in the Company's mill to the end of the calendar month next preceding the date of such payment. It will also be provided that no Series B bonds are to be purchased or called for redemption out of such sinking fund moneys while any of the Series A bonds are outstanding unless all of the outstanding Series A bonds are called for redemption at the same time, but this provision will not operate so as to restrict the retirement of Series B bonds otherwise than out of sinking fund payments on the above basis. The Company may purchase bonds and tender the same to the Trustee for sinking fund purposes in lieu of cash, and bonds so tendered shall be credited by the Trustee at the principal amount thereof.

The 5% First Mortgage Sinking Fund Bonds, Series A and Series B, will rank pari passu as to security. They will be direct obligations of the Company and are to be secured by a trust deed to be entered into between the Company and National Trust Company, Limited, as Trustee, which in the opinion of Counsel will constitute, subject only to unregistered privileges and charges, if any, which may exist by operation of law, a first fixed and specific hypothec, mortgage, pledge and charge on and of all lands and immovable property and interests therein, fixed assets and mining claims, now owned or held by the Company, and the rights of the Company under a certain contract between the Company and American Zinc Company of Illinois and, subject as aforesaid, a first floating charge upon all other property and assets of the Company in the Provinces of Ontario and Quebec. The specific security will include the new mill both during construction and after completion. The trust deed will also contain an "after acquired property clause" purporting to subject to the specific security constituted thereby all real and immovable property and rights hereafter acquired by the Company, which will covenant to give full effect to such clause by the execution and registration from time to time of appropriate deeds.

The payment of the principal of and premium (if any) and interest on the Series A bonds and Series B bonds will be unconditionally guaranteed by Golden Manitou Mines Limited (No Personal Liability) which company will also guarantee all other payments from time to time required to be made by the Company under the terms of the trust deed and the performance and observance of all covenants and obligations on the part of the Company under the said deed.

The trust deed also will provide that at or prior to the time of each issue of any of the bonds the Company will deposit with the Trustee an amount equal to the amount received or receivable by the Company upon the sale of the bonds then being issued plus accrued interest to the date of delivery thereof; that the amounts so deposited shall constitute the "Plant Construction Fund" and shall be invested in obligations of or guaranteed by the Government of Canada maturing not later than five years from the date of investment and may be withdrawn: (i) for the purpose of paying the interest falling due on the bonds on February 1, 1952 and August 1, 1952; (ii) for the purpose of enabling the Company to pay the costs incurred by it in connection with the construction and completion of the new mill having a rated capacity of at least 4,000 tons per day and ancillary equipment required for the extraction and treatment of ores and the cost of preparing the property for production and operation; (iii) for working capital not exceeding in the aggregate the sum of $400,000; and that any balance in the Plant Construction Fund not required for the foregoing purposes will be applied toward the retirement of bonds.

The trust deed will contain such further covenants, agreements, stipulations, provisos and conditions as the Directors of the Company may determine.

(h) The number of shares or other securities held in escrow and particulars thereof are as follows: 675,000 shares deposited with the Guaranty Trust Company of Canada, to be held in escrow by it subject to release pro rata to the parties entitled thereto at the discretion of the Ontario Securities Commission and subject to transfer, hypothecation, assignment or other alienation only with the consent in writing of the said Commission; provided that the written consent of a majority of the Directors of the Company may be required to any such release if the Ontario Securities Commission so desires in order to exercise its discretion as aforesaid.

(i) The particulars of shares sold for cash to date are as follows:

5 shares @ $1.00 each	$ 5
250,000 shares @ $0.10 each	25,000
1,999,995 shares @ $0.18¾ each	375,000
180,000 shares @ $0.50 each	90,000
2,430,000 shares	$490,005

No commissions were paid on the sale of the said shares.

(j) No securities, other than shares, have been sold for cash to date, save as set out in paragraph (n) below:

(k) The particulars of shares issued or to be issued or cash paid or to be paid to any promoter are as follows: The promoter, Golden Manitou Mines Limited (No Personal Liability), Room 1104, 330 Bay Street, Toronto, Ontario, paid $42,500 in cash to the vendors and in return had the right to direct the further exploration and development of the Company's mining claims provided that it furnished funds to the extent of not less than $100,000 with which to pay for such exploration and development work and for the proper administration of the Company while such exploration and development work was being carried out, whereupon the said promoter had the right to purchase 800,000 shares of the Company for $30,000 or, in the alternative, as it wished, the right and option to subscribe for and purchase 1,999,995 shares of the Company to be taken up and paid for in such amounts at such prices per share and within such times as the said promoter should deem requisite to pay for the further exploration and development of the Company's mining claims to the stage where, in the opinion of the said promoter, an ore body of sufficient magnitude and value had been developed to justify erecting a concentrating plant for the treatment of the ore developed on the said claims. If the cost of such further exploration and development work to the stage aforesaid should be less than the sum of $375,000 the said promoter was required to pay in cash to the Company an amount which, together with the moneys expended on such further exploration and development work, would total the sum of $375,000.

The said promoter having furnished the said sum of $100,000 and having directed and paid for the further exploration and development of the said mining claims to the stage where, in its opinion, an ore body of sufficient magnitude and value had been developed to justify erecting a concentrating plant for the treatment of the ore developed on the said claims at the rate of 4,000 tons per day, at a cost of less than $375,000, has exercised its right and option to subscribe for 1,999,995 shares of the company as aforesaid and has paid therefor the sum of $375,000.

(l) Particulars relating to the acquisition of the property of the Company are as follows:

(i) Mining claims held by the Company in the Township of Barraute in the Province of Quebec, duly recorded with the Department of Mines for said Province as claims numbers A-168552-3 and A-166529 to A-166540 inclusive, covering the south halves of lots numbered 27 to 32 inclusive and all of lots 33 and 34 in Range VII of said Township and the north halves of lots 33 to 36 inclusive in Range VI of said Township, comprising in all about 700 acres.

(ii) The above property and a deposit of $5,000 under a drilling contract were acquired from New Goldvue Mines Limited (acting on its behalf and on behalf of others as disclosed in the paragraph hereof immediately following) for 750,000 fully paid shares of the Company and $42,500 cash paid by the Promoter aforesaid and not recoverable by the Promoter.

50,000 of the said shares were charged on the books of the Company at 10¢ per share against the deposit of $5,000 aforementioned. The remaining 700,000 shares were charged on the books of the Company at 10¢ per share as the cost to the Company of mining claims acquired as aforesaid.

(iii) The names and addresses of every person or company who has received or is to receive from the vendor a greater than 5% interest in the shares and cash consideration received or to be received by the vendor are as follows:

New Goldvue Mines Limited (No Personal Liability) 1300 Concourse Bldg., 100 Adelaide Street West, Toronto, Ont., Lloyd Almond and Gaston Lavalee, of Amos, Que., Adjustor Leclerc, Gerard Leclerc, Lionel Leclerc and Lucien Leclerc of St. Maurice de Dalquier, Que., each received a greater than 5% interest in the shares or other consideration paid to the vendors as aforesaid.

Pursuant to divers transactions between said Lloyd Almond, Martial Dumulon, Amos, Que., and Samuel Ciglen, 24 Whitmore Ave., Toronto, Ont., said Martial Dumulon and Samuel Ciglen were each entitled to and received from said Lloyd Almond a greater than 5% interest in the vendor's consideration aforesaid.

Draper Dobie & Company, 330 Bay Street, Toronto, Ont., and Roytor & Co. No. 1 Account, c/o The Royal Bank of Canada, Montreal, Que., each hold more than 5% of the share consideration paid the vendors as aforesaid.

(iv) The Company has acquired or entered into agreements for the acquisition of the surface rights to the following lands in Range VII of the Township of Barraute, in the Province of Quebec, namely:

The Northerly 42 acres, more or less, of the S. ½ of lot 27, from Thomas Comeau, Barraute, Que., for $4500 cash;

The Northerly 46 acres, more or less, of the S. ½ of lot 26, from Joseph Guay, Barraute, Que., for $6500 cash;

The S. ½ of lot 29, comprising about 50 acres, more or less, from Mrs. F. Houle Darveau, Barraute, Que., for $6000 cash;

The S. ½ of lot 30, comprising about 50 acres from the Province of Quebec, for $650 cash;

The Northerly 44 acres, more or less, of the S. ½ of lot 31, from Rosario Roch, Barraute, Que., for $6000 cash excluding and with the right to remove a small saw-mill located on the said lands;

The Northerly 44 acres, more or less, of the S. ½ of lot 32 from Alexander Guay, Barraute, Que., for $5000 cash;

The Northerly 42 acres, more or less, of the S.W. ¼'s of lots 33 and 34 from Paul De Carufel, Barraute, Que., for $2100 cash;

Together with certain rights of way for the purpose of access to and egress from the said lands,

In addition to the cash considerations aforementioned the Company paid the sum of $950 in settlement of certain costs and expenses incurred in connection with the surface rights aforementioned which said sum has been charged on the books of the Company to mining claims and surface rights.

The Company proposes to acquire further surface rights in the vicinity of its mining claims which may be considered necessary or desirable for the conduct of the Company's operations. To furnish particulars of such proposed acquisitions might be detrimental to negotiations therefor.

(m) Further particulars relating to the Company's mining claims are as follows:

(i) The property is served by an all-weather colonization road connecting with the railroad station at Barraute, Quebec, and the provincial highway system. The transcontinental line of the Canadian National Railways passes about four miles to the south of the property and construction of a spur line to the mill site is expected to be completed during the summer of 1951.

(ii) There has been no underground exploration and development, nor is there any underground plant and equipment on the property.

(iii) An extensive diamond drilling program totalling more than 47,000 lineal feet has been carried out on a portion of the property and to-date an ore body 2,500 feet in length averaging approximately 105 feet in width, has been outlined. This ore body is estimated to contain 17,500,000 tons of zinc-silver ore to the 700 foot level, having an average grade of 3.26% zinc and 1.13 ounces of silver per ton.

(iv) Other than the stripping of an outcrop on part of the property and the blasting of a trench across about 23 feet of an exposed shear by predecessors in title, the signatories hereto have no knowledge of the history of the property.

(v) A description of the work done and improvements made by the present management is given in the reports of Mr. J. C. Nicholls, Mining Engineer, 64 Old Forest Hill Road, Toronto, Ontario, dated June 27, 1951, and June 28, 1951, copies of which accompany and by reference thereto are made part of this prospectus. Contracts are being let for the necessary buildings, machinery and materials required to house, equip and place in operation a mill of at least 4,000 tons daily capacity.

(n) The particulars of the securities covered by option agreements or sub-option agreements, or underwriting agreements or sub-underwriting agreements, outstanding or proposed to be given are as follows:

On June 27, 1951 the Company entered into an agreement in writing with McLeod, Young, Weir & Company Limited, 50 King Street West, Toronto, Ontario, Milner, Ross & Co., 330 Bay Street, Toronto, Ontario, and Draper Dobie & Company, 330 Bay Street, Toronto, Ontario, acting as principals, (hereinafter referred to as "the Underwriters"), for the sale to them of the 5% First Mortgage Sinking Fund Bonds in the aggregate principal amount of $7,000,000 as described in paragraph (g) above, for the sum of $6,580,000 and accrued interest, if any, payable in cash at the office of the National Trust Company, Limited, 20 King

Street East, Toronto, Ontario, on or about the 27th day of August 1951, against delivery of the bonds in interim or definitive form and compliance with the necessary legal formalities and the terms and conditions stated in said agreement. A copy of the agreement above referred to may be inspected at the Head Office of the Company, 1104 Northern Ontario Building, 330 Bay Street, Toronto, Ontario, during ordinary business hours during the period of primary distribution of the said bonds.

The Series B bonds in definitive form when originally issued will carry Stock Purchase Warrants entitling the holders thereof to purchase shares of the capital stock of the Company on the basis of 80 shares for each $1000 principal amount of said bonds at $3.00 per share, payable in cash. The indenture providing for the issue of such stock purchase warrants will provide that such warrants may not be detached until July 1, 1952, (unless the bonds to which such warrants are attached are called for redemption prior to that date) will become exercisable only on and after July 1, 1952 and will expire on July 31, 1956. If the rights covered by the said stock purchase warrants are fully exercised a total of 320,000 shares of the capital stock of the company will be purchased by such holders at $3.00 per share. The Series A bonds will not carry stock purchase warrants. The indenture also will include provisions for appropriate adjustment in the number of shares issuable pursuant to the privileges attaching to the Stock Purchase Warrants in certain events including a subdivision of the capital stock of the Company.

Following are the names of all persons having an interest, directly or indirectly, to the extent of not less than five per cent. in the capital of McLeod, Young, Weir & Company Limited: D. I. McLeod, W. E. Young, J. G. Weir, J. H. Ratcliffe, W. H. R. Jarvis, H. S. Backus, R. A. Jarvis and F. O. Evans.

Following are the names of all persons having an interest, directly or indirectly, to the extent of not less than five per cent. in the capital of Milner, Ross & Co.: Donald G. Ross, George C. Knowles and S. M. MacKay.

Following are the names of all persons having an interest, directly or indirectly, to the extent of not less than five per cent. in the capital of Draper Dobie & Company: H. W. Knight, H. W. Knight, Jr., G. W. Gooderham and E. A. Hill.

(o) The Company proposes to expend the proceeds from the current sales of securities for the necessary buildings, machinery and materials required to house and equip a mill of at least 4,000 tons daily capacity and for other facilities to place the Company's mine in production and to provide working capital.

(p) The amount of preliminary expenses already expended are set forth in the balance sheet as of the 30th day of June, 1951, a copy of which accompanies and by reference thereto is made a part of this prospectus.

The expenses to be incurred in connection with and incidental to the authorization and issue of the bonds, including examination of titles, the preparation and printing of the Trust Deed, and of the interim or temporary bonds and of the engraved or definitive bonds, registration fees, expenses in connection with the qualifying of the bonds for public offering and sale, counsel fees and disbursements to be borne by the Company are estimated at $30,000.

The cash payments required to acquire the properties set forth in paragraph (l) (iv) hereof amount to the sum of $31,700 which sum is set forth in the balance sheet accompanying this prospectus.

The only indebtedness to be created or assumed not shown in the balance sheet dated June 30, 1951 accompanying this prospectus is the indebtedness under the trust deed hereinbefore referred to and the costs of constructing, equipping and completing the new mill and other costs to be paid out of the "Plant Construction Fund" referred to in paragraph (g).

(q) (i) The principal business in which each Director or Officer has been engaged during the past three years and particulars, are as follows:

Mr. Harry Wallace Knight, President and Director of the Company, is a partner in the stock brokerage firm of Draper Dobie & Company, 330 Bay Street, Toronto, Ontario, members of The Toronto Stock Exchange. He is also a Mining Executive and is President of Golden Manitou Mines, Limited, a Vice-President and Director of Quebec Manitou Mines Limited, and a Director of American Zinc, Lead & Smelting Company.

Mr. Andrew Robertson, Vice-President and Director of the Company, is a Mining Engineer, with offices at 330 Bay Street, Toronto, Ontario. He is also a Vice-President and General Manager of Golden Manitou Mines Limited and a Vice-President of Quebec Manitou Mines Limited.

Mr. Sydney Albert Perry is a professional Mining Executive, in business for himself at 330 Bay Street, Toronto, Ontario. He is also Secretary-Treasurer and a Director of Golden Manitou Mines Limited and an Officer and Director of several other mining companies.

Mr. Harry William Knight, Director of the Company, is a partner in the stock brokerage firm of Draper Dobie & Company, 330 Bay Street, Toronto, Ontario, members of The Toronto Stock Exchange.

Mr. Martial Dumulon, Director of the Company, is a Mine Operator and is Vice-President, General Manager and a Director of New Goldvue Mines Limited.

(ii) No Director or Officer of the Company ever had any interest, direct or indirect, personally or as a partner in a firm, in the property acquired by the Company save Martial Dumulon who is an officer and shareholder of New Goldvue Mines Limited and was associated with Lloyd Almond in his interest in the property described under paragraph (l) (i) above prior to the acquisition thereof by the Company and received a greater than 5 per cent. interest in the Vendor's consideration mentioned in paragraph (l) (ii) above.

(iii) The Company has not paid any remuneration to Directors as such, and by the trust deed will covenant that it will not pay any salary or other remuneration to any Director as such so long as any of the bonds remain outstanding. This covenant will not prevent the Company from paying remuneration to a Director occupying an executive position or performing special services for the Company, or from reimbursing a Director for actual out-of-pocket expenses incurred in the business of the Company. The remuneration to be paid to officers will be commensurate with services rendered, and should not exceed in the aggregate the sum of $25,000 for the current financial year.

(r) Golden Manitou Mines Limited (No Personal Liability) owns 1,755,000 of the issued and outstanding shares of the Company, is in control of and managing the affairs of the Company and will supervise the construction of the mill and other facilities and the mining and milling operations to be carried on by the Company. It is in the position to elect or cause to be elected a majority of the Directors of the Company, and has agreed with the Underwriters that so long as any of the bonds are outstanding it will vote, or cause to be voted, all shares of the Company owned or controlled by it in favour of the election as Directors of the Company of persons satisfactory to the Underwriters.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 38 of The Securities Act, (Ontario), and there is no further material information applicable other than in the financial statements or reports where required.

DIRECTORS

(*Signed*) H. W. Knight

(*Signed*) Andrew Robertson

(*Signed*) S. A. Perry

(*Signed*) H. W. Knight, Jr.

(*Signed*) Martial Dumulon
By S. A. Perry, his Attorney

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

UNDERWRITERS

McLeod, Young, Weir & Company Limited
By (*Signed*) J. H. Ratcliffe

Milner, Ross & Co.
By (*Signed*) Geo. C. Knowles

Draper Dobie & Company
By (*Signed*) Geo. W. Gooderham

Dated at Toronto, Ontario, this 25th day of July, 1951.